

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of June 14, 2006

Genoa Woods Conference Center, 7707 Conference Center Drive, Brighton
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:02 AM.

The following Board members were present:

Keith Charters
Bob Garner
Frank Torre
Sam Washington

Ms. Pollack was not in attendance due to illness.

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

Chairperson Washington introduced Mr. Keith Charters to the audience. Mr. Charters has been appointed by the Governor to replace Mr. Hamp, who recently resigned from the Board. Mr. Charters previously served on the Board for 12 years.

I. ADOPTION OF MINUTES FOR MEETING OF APRIL 19, 2006.

Chairperson Washington called for the adoption of the April 19, 2006 Board meeting minutes.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO APPROVE THE MINUTES OF THE APRIL 19, 2006 MNRTF BOARD MEETING. PASSED.

II. ADOPTION OF AGENDA FOR MEETING OF JUNE 14, 2006.

Chairperson Washington called for the adoption of the agenda for the June 14, 2006 Board meeting.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE TO CHANGE THE ORDER OF THE AGENDA BY MOVING ITEM 2 UNDER "OLD BUSINESS" TO BE CONSIDERED PRIOR TO "PUBLIC APPEARANCES." PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO ADD BOARD POLICY 92.3 AS A NEW AGENDA ITEM UNDER "NEW BUSINESS." PASSED.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO APPROVE THE REVISED AGENDA. PASSED.

IV. OLD BUSINESS.

2. Naming Request – White Pine Trail – **TABLED FROM APRIL 19, 2006 MEETING.**

Chairperson Washington called for a motion to remove the naming request for the White Pine Trail from the table.

**MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO REMOVE THE NAMING REQUEST FOR THE WHITE PINE TRAIL FROM THE TABLE.
PASSED.**

Chairperson Washington stated that the naming request also addresses DNR policy and asked Mr. Dennis Fedewa, Chief Deputy, DNR, to outline. Mr. Fedewa stated the Board has received a memo outlining a proposed revision to the naming policy (Board Policy 92.3). The difference in the approach staff is suggesting the Board to consider at a future date is the fact that the current policy comes from the perspective of non-approval of naming rights for a particular site and then pursuing exceptions thereafter. The proposed revision attempts to look at the Board Policy more proactive in that naming may be considered by the Board. It gives guidelines, processes and procedures to follow with parameters. Within these parameters are levels of contributions that are important enough for consideration of a naming right of a particular site.

Mr. Fedewa further stated that taking a more positive approach to naming, and allowing it within certain parameters and guidelines for the Board to consider, sends a more consistent signal to encourage donors to contribute both monetary and in-kind services in recognition of other partners that also participate in the development of recreation opportunities.

Mr. Fedewa also stated that one important factor outlined in the cover memo and policy is that this proclaims the reason for the MNRTF and the purpose of it that was approved by the voters in the state constitution for a specific purpose. This embodies a great deal of respect among the general public and recreation community and that is to be foremost in consideration when naming sites.

Mr. Fedewa asked the Board to consider these revisions and would be open to engaging in the dialog between the Board and staff in any modifications to the policy at a future meeting.

Mr. Garner stated that at this point in time the Board is faced with a very unique opportunity. The Board needs a policy. Things have changed and government cannot supply all the money as in the past for trails and other recreation projects. While he is not totally in favor of naming sites for individuals, if the donor makes a generous contribution to keep the facility open, the Board should consider it. He also feels the Board should have a long-term strategy for naming. Mr. Torre and Ms. Pollack have been assigned to a subcommittee for naming, and he expects they will be reporting on a strategy soon. He expects the Board will put a moratorium on any naming projects until that is done.

Chairperson Washington agreed with Mr. Garner, and feels there should be a moratorium on even considering naming requests until the Board has a set policy in place. The White Pine Trail State Park naming issue has been escalated to statewide significance, and rather than have to go through legislative process, a policy needs to be in place that addresses it and provides criteria that is either met or not met and move forward from there.

Mr. Charters stated that he had the opportunity of serving on the Board when the naming policy was set, which was probably 14 or 15 years ago. Times have changed and money has shifted. There is a lot of money in private foundations. He also believes the Board needs to revisit the policy and be a little more flexible with it. He feels the important thing to keep in mind is that the Board's mission is to provide outdoor recreational opportunities. In some cases, some of the acquisitions or developments would not occur without the help of the private sector. Additionally, he feels the policy has to take into consideration volunteer contributions.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO APPROVE THE NAME CHANGE REQUEST OF THE WHITE PINE TRAIL STATE PARK TO THE "FRED MEIJER WHITE PINE TRAIL STATE PARK" CONTINGENT ON RECEIPT OF A ONE MILLION DOLLAR (\$1,000,000.00) DONATION FROM THE FRED MEIJER FOUNDATION AS MATCH FOR THE FEDERAL REVENUE FOR DEVELOPMENT AND MAINTENANCE OF THE WHITE PINE TRAIL STATE PARK.

Chairperson Washington opened the motion up for discussion. He further stated that he is going to be strict on the amount of time allowed for public presentations.

Mr. Bob Holman – Sparta, Michigan

Mr. Bob Holman from Sparta, Michigan, made a presentation opposing the White Pine Trail State Park name change. He lives several miles from the White Pine Trail and enjoys it very much. He thanked the DNR for providing this park and safe trails for bicycling.

Mr. Holman further stated that he used to work at Meijers. He vowed never to enter into or use a facility with the name of Meijer attached to it. He was called by Mr. Meijer several years after he left to negotiate a settlement.

In addition, it is disturbing to hear that the Legislature is considering a law to add the Meijer name to the White Pine Trail.

MOTION PASSED.

II. PUBLIC APPEARANCES.

Mr. Ron Olson, Chief, Parks and Recreation Division, DNR – "Access to Recreation" Initiative

Mr. Ron Olson, Chief of Parks and Recreation Division, DNR, made a PowerPoint presentation outlining the "Access to Recreation" Initiative. This is a partnership with the W. K. Kellogg Foundation. Earlier this year, the DNR had conversations with the Foundation about trying to approach access to outdoor recreation opportunities. The discussion with the Foundation started with conversations regarding boundless playgrounds. Discussion of other recreation opportunities ensued from there. The concept of universal access is one recreation opportunity that DNR wanted to pursue. The Kellogg Foundation was very excited about this concept.

On April 28, 2006 an announcement was made by the Kellogg Foundation to put forth \$15 million statewide to leverage opportunities for access to recreation. The primary partners were Kellogg Foundation, Midwest Community Foundation Ventures, Michigan Recreation and Park Association and Michigan Department of Natural Resources.

The basic components for the DNR are a \$3 million grant, of which \$2 million would be provided to the Parks and Recreation Division to develop unique universal access outdoor recreation opportunities. In addition, the remaining \$1 million would go to Grants Management to stimulate other local units of government and DNR development grants. All projects will be required to meet a set of "Access to Recreation" criteria which need to be developed.

Examples of universally accessible projects would include parking lots, interpretive areas, connecting to water areas, barrier-free fishing opportunities, dam facilities, and providing environmentally-friendly access ramps to access unique features.

Mr. Olson further stated that with the portion of the Foundation grant that would be allocated to Grants Management, it would add value through additional funding by partnering with local communities who met the criteria for universally accessible projects to be developed. The criteria that will be established for eligibility of these grants will be provided to the Board for review and consideration at their October meeting.

Chairperson Washington stated that Mr. Olson and staff have done an outstanding job on this. He wondered what the Kellogg Foundation's policy was on naming. Ms. Cindy Burkhour, representing the Kellogg Foundation, responded that the Foundation has not required or encouraged identification of the Kellogg Foundation as the funder or in a naming kind of way. They have had some legacy projects over time that has been to specifically recognize particular milestones in the Kellogg history where there has been a unique opportunity. For this grant, the Foundation intends for all of the projects that come out of this grant be known as the "Access to Recreation" work. All recipients of these funds would take ownership of implementing access to recreation.

Mr. Charters asked if the money from the Foundation could be used at Warren Dunes or Hoeft State Parks or Johnson fishing center. Ms. Burkhour responded yes. The \$15 million from the Kellogg Foundation for the "Access to Recreation" projects is designed to leverage an additional \$15 million in match money that will be coming from communities, as well as from other foundations. The Foundation is looking to form partnerships. There is \$31 million flowing in Michigan now to accomplish the "Access to Recreation" Initiative. There will be corporate donors as well as other foundations' donors and partners.

Mr. Torre asked if the Foundation would be looking for naming rights in the future. Ms. Burkhour responded that the Kellogg Foundation is very specific on how the Kellogg name can be used. There has been no indication from the Foundation for any naming rights. Once the project is launched, the Foundation wants it to be known as an "Access to Recreation" project, and not a grant from the Kellogg Foundation.

Mr. Olson wanted to recognize Mr. Dan Lord of Parks and Recreation Division for all his work with the Kellogg Foundation and making all this come about.

Mr. George Cullers, Vice-Chairman and Mr. Paul Wing, Chairman, Agricultural Preservation Board, Barry County – 06-031, Charlton Park Road Development Rights Acquisition, Barry County

Mr. George Cullers, Vice-Chairman of the Barry County Agricultural Preservation Board, made a presentation in support of 06-031, Charlton Park Road Development Rights Acquisition, Barry County. This acquisition is to acquire development rights on farm land. Acquisition of these development rights would open the lands to hunting and trapping. There is no water on the

property, other than streams. By acquiring this property, it would protect the farm lands from development forever.

Mr. Cullers further stated that more privately owned lands need to be opened to hunting and trapping to control the population of deer, turkey, geese, coyote and raccoon, just to name a few. If acquisition is approved, it is hoped that the DNR Hunters Access Program will be used to monitor the use of the property.

Mr. Cullers also stated that it is known that the farm lands and wildlife habitat go hand-in-hand. With the acquisition of this property, it would accomplish the goals of both preservations. It is hoped that other counties would also look at acquiring development rights.

Mr. Paul Wing, Chairman of the Barry County Agricultural Preservation Board, added that the county has made a commitment to protect farm land and is very serious about this acquisition.

Chairperson Washington asked about the local match, which appears to be from the landowners. He wondered if they were willing to accept below fair market value to make the match. Mr. Cullers responded yes. The landowners will donate 26 percent of the value (\$123,700) for the match. Chairperson Washington asked how big the property was. Mr. Cullers responded 186 acres. Years ago the landowners had this property in the Hunter Access Program. Chairperson Washington asked if the land was currently being farmed. Mr. Cullers responded yes.

Mr. Torre asked if there was any water on the property. Mr. Wing responded that there is a 30-acre woods plus an open ditch that runs kitty-corner across the land. The woods are considered a "wet woods," where water comes in from above the farm.

Mr. Charters asked how the cost of the property was determined (approximately \$2500 per acre) for the development rights. Mr. Cullers responded that an appraisal was not done, but a comparison of other similar properties in the township was done. This was about the average cost (\$475,800) for development rights.

Mr. Wing added that there will be an easement for access to the property and a hunting agreement to be open to the public.

Mr. Gene Burgess, Supervisor, Flynn Township – 06-093, Hyponex Wetlands Property Acquisition

Mr. Gene Burgess, Supervisor of Flynn Township, made a PowerPoint presentation in support of 06-093, Hyponex Wetlands Property Acquisition, Flynn Township. Flynn Township has two parcels of state land which are open to hunting. The township is located four miles from M-19 to the east, five miles from M-53 to the west and two miles from M-90 to the south. There are four school districts in the township and six cities within 12 miles of the township.

The acquisition is for the Hyponex Wetlands Property. The entrance of the property would be at Peck Road. There is an existing building on the property, which would be used as an office, lobby or showroom. He identified various views of the pond and property via a PowerPoint presentation. The photographs identified several species of wildlife. The property would be preserved as it currently is.

Mr. Burgess further stated that it is the township's goals to:

- Encourage cooperation between the township, schools, cities and surrounding townships and counties for recreational and educational use;
- Encourage the development of recreational opportunities within the township to promote hunting, fishing, educational purposes, camping, picnicking, hiking, bird watching and nature trails;
- Hold open meetings with the public for the purpose of receiving ideas and/or recommendations for public recreational use of the property; and
- All activities will plan to comply with ADA guidelines whenever possible.

The property will provide hunting, fishing, canoeing, nature trails, picnic area, nature classroom, wildlife observation and hiking.

The project has the support of the Cass City office of the DNR, St. Clair County Health Department, Sanilac County Intermediate School District, Sanilac County Soil Conservation, Sanilac County Board of Commissioners, State Representative John Espinoza, Sanilac County Economic Development Commission, Sporting Lands Alliance, Marlette Sportsman Association and Ducks Unlimited.

Mr. Garner asked what the acreage was. Mr. Burgess responded 520 acres. Mr. Garner asked if there has been any thought to putting in a shooting range. Mr. Burgess responded no.

Chairperson Washington asked about the state land and wondered if it was a state game area. Mr. Burgess responded that it is open to hunting. There is no standing water on the state land.

Mr. Garner asked what the total price of the acquisition was. Mr. Burgess responded the grant request is \$785,900 and the total project price is \$1.2 million.

Mr. Terry Smith, Supervisor, Forest Home Township – 06-112, Glacial Hills Pathway and Natural Area

Mr. Terry Smith, Supervisor of Forest Home Township, made a presentation in support of 06-112, Glacial Hills Pathway and Natural Area, Forest Home Township. He stated that this is the second application Forest Home Township has submitted for the Glacial Hills Pathway and Natural Area. Forest Home Township is located in the west central portion of Antrim County, located close to the Village of Bellaire. The Intermediate River runs through Bellaire, on the west side is Forest Home Township and east side is Kearney Township.

The project submitted last year was a partnership with Forest Home Township and Antrim County, which turned out to have some problems. Last year the project consisted of 345 acres. He outlined the proposed acquisition property and surrounding areas via a map. The county is now moving on their own to find funding sources to purchase part of the original 345 acres. Forest Home Township is seeking to acquire 165 acres and plan to be the sole owner of the property.

In 2005, the cost of the total project was \$1,024,401. The township and the county, with the help of Grand Traverse Regional Land Conservancy and GDO Investments, had matching funds in the amount of \$507,394. This was a 49 percent match. The grant amount requested was for \$517,007.

This year's application has been reduced and simplified to 165 acres, with the acquisition cost being \$484,400, of which the township, with the help of Grand Traverse Regional Land Conservancy and GDO Investments, has matching funds in the amount of \$271,300, which is 66 percent of the total project cost. The grant amount being requested is for \$213,100. The land is being purchased on a bargain sale. The land was appraised in 2005 for \$2522 per acre and the negotiated sale price of the land for the township is \$2200.

Mr. Smith further stated the physical attributes of the property and present wildlife have been documented in the township's application and have previously been reviewed by staff and the Board. It is the township's goal to preserve this property to remain in its natural state and create a recreational trail (working with the Village of Bellaire, Antrim County and Bellaire Public Schools) that would extend from the Village of Bellaire to the Forest Home Township loon nursery. The Village of Bellaire currently has a trail system that runs up to the north. The trail would go through Bellaire, through some school property, and along an existing county road and then onto Antrim County property.

Mr. Smith pointed out to the Board that in 2001, the loon nursery property was obtained with the assistance of the MNRTF.

There is a need to provide more passive recreation in the township, as the population age is increasing in years.

Mr. Charters asked if it was the intention of the township to become sole owner of the property. Mr. Smith responded yes, and pointed out the red property outlined on the map. Mr. Charters asked about the partnerships with major conservancies. Mr. Smith responded the Grand Traverse Regional Land Conservancy and GDO Investments. GDO is a conservation buyer that has stepped in and bought the property. The property actually is part of a larger piece. The landowner offered a portion of their property for sale (345 acres). The county will purchase a portion of the 345 acres.

Mr. Torre asked how many acres are involved in the purchase. Mr. Smith responded 165 acres.

Chairperson Washington asked if the trail would be known as the Glacial Hills Pathway. Mr. Smith responded yes.

Mr. Greg Gaylor, Supervisor; and Ms. Rebecca Ragan, Treasurer, Gerrish Township – 06-036, Gerrish Township Public Boat Launch and Marina

Mr. Greg Gaylor, Supervisor; and Ms. Rebecca Ragan, Treasurer of Gerrish Township, provided a PowerPoint presentation in support of 06-036, Gerrish Township Public Boat Launch and Marina.

Ms. Ragan provided the Board with a history of Higgins Lake. When the lake was platted, there were no riparian rights. Boats could be moored along the lakeshore. The name of this road is Lake Shore Drive. In 1937, Lake Shore Drive was vacated and riparian rights were given to the property owners. After this vacation, the only access to Higgins Lake was by road ends. In later years, the North Higgins Lake and South Higgins Lake State Parks were opened providing access. For years, people would bring their boats to Higgins Lake and moor them at the road ends. In 1986, the riparians asked the township to develop an ordinance forcing all boats to be in a line and on hoists. An ordinance was passed and worked for eight years. In 1994, the riparians sought to have hoists removed and road ends closed. As a result the riparians took

Gerrish and Lyon Townships, other townships that surround Higgins Lake, and numerous residents to court to limit the activity and access to Higgins Lake. In the case against Lyon Township, the court closed all but four road ends to activities other than ingress and egress. This is eroding the rights to public access to Higgins Lake. Over the years, there has been several House Bills to solve the problem, but none has yet to leave a committee for a vote.

Gerrish Township now has the opportunity to purchase a marina that would provide access to all who wish to use Higgins Lake.

Mr. Garner asked what the cost of the project was. Mr. Gaylor responded \$4 million, with the township providing a 30 percent match.

Mr. Gaylor continued with the presentation. Higgins Lake is the main asset in the community, as well as for the entire state. There are thousands of visitors a year. It provides a base for fishing, hunting, boating and many other recreational opportunities.

In the past, Gerrish Township had the following boat access areas:

- Road ends with 400+ boats and hoists
- Higgins Lake Boat Yard – 25 boats
- South Higgins Lake State Park – ramp
- Various ramps within the townships

At the present time, the township has the following boat access areas:

- South Higgins Lake State Park – ramp
- Higgins Lake Boat Yard – 25 boats
- Maplehurst, McKenzie & Burdel – 40 boats. The Department of Environmental Quality (DEQ) is advising to remove the hoists/boats
- Close to 350 displaced boats, 400 when the DEQ finishes removing hoists from other roads

The proposed boat access areas for Gerrish Township are as follows:

- South Higgins Lake State Park – ramp
- Township Marina – 60 to 90 slips in the water (depending on DEQ); 200+ in/out storage
- Ramps at Maplehurst, Kelly Beach and Magnolia
- Gerrish Township Park – 20+ slips in the water (depending on DEQ)
- In Water Hoists and Road Ends (depending on DEQ) – Maplehurst, Burdel and MacKenzie (approximately 40 boats)

Site amenities would include:

- 23 boat trailer parking spaces, 106 parking spaces
- 60 to 90 boat slips
- 22 temporary mooring spaces and gas dock
- Restrooms/changing facility
- Playground and picnic areas
- Concessions/restaurant and bait shops
- Other retail operations

The effects of the road end closure has resulted in declining property values, loss of income to local businesses, meaningful access to Higgins Lake and a reduction in the township tax base.

Positive effects of the proposed township marina would include:

- Create jobs
- Meaningful access for everyone
- Additional retail opportunities
- Preservation and public use of five acres and 425 feet of property on Higgins Lake
- Township control of the property
- Stabilize property values and tax base

There is community support for the project.

Chairperson Washington asked Mr. Olson if this was the type of project that the Kellogg Foundation might provide funding. Mr. Olson responded it is a possibility to create boating access for the handicapped. He suggested to Mr. Gaylor and Ms. Ragan to check with their area wide community foundation. Mr. Gaylor stated that at this point the match will be coming from a revenue bond.

Chairperson Washington asked Mr. Gaylor if the grant was approved, would the township need the entire amount at that time, or could it be phased over a two- or three-year period of time. Mr. Gaylor had not asked, but does not see where the landowner would have a problem.

Ms. Maureen Templeton, Township Trustee, Long Lake Township – 06-051, Cedar Run Creek Natural Area Acquisition

Ms. Maureen Templeton, Township Trustee for Long Lake Township, provided a PowerPoint presentation in support of 06-051, Cedar Run Creek Natural Area Acquisition. The acquisition would be for a 212-acre parcel with 1,500 feet of pristine shoreline on Cedar Lake and 6,200 feet of undeveloped shoreline on both sides of Cedar Run Creek, which is a State Designated Trout Stream. The acquisition would enhance the existing public access. This would be the only public access on Cedar Run Creek within Grand Traverse or Benzie Counties.

There is a diversity of habitats found on the property, including northern hardwood forest, managed aspens and planted pines, wildlife openings and rich conifer swamp, which is a DNR-identified deeryard. DNR Wildlife Biologist Rich Earle stated that the rich conifer swamp that runs the length of Cedar Run Creek is recognized as “a high quality deer winter yard complex that connects larger deer yarding areas in Grand Traverse, Benzie and Leelanau Counties.” Mr. Earle also pointed out the many species of wildlife that benefit from this complex.

Ms. Templeton stated that the current DNR 40-acre access site is fairly rustic at the present time. This 40-acre site does include wildlife benefits, including a deer wintering yard. The township would like to put in a connector trail from the DNR access site to the trail itself.

Members of the Grand Traverse Audubon Club and residents of the lake have confirmed sightings of threatened and special concern species identified on the property, which include Red-Shouldered Hawks (threatened), Wood Turtle (special concern) and Common Loon (threatened).

Ms. Templeton stated that according to DNR Biologist Todd Kalish, "Cedar Run Creek supports a variety of cold water fish species such as brook, brown and rainbow trout." In addition, Mr. Kalish stated that "Cedar Lake supports large and smallmouth bass, bluegills and northern pike."

Ms. Templeton further stated that there is an abundance of game species located on the property, including deer, ruffed grouse, woodcock and wildlife turkey. The shoreline forms a natural cove where waterfowl seek shelter. There currently are 3.5 miles of trails and old two-tracks on the property for hiking. The township plans to add another one-fourth mile of trail.

Recreational benefits are numerous and include hunting, fishing, hiking, bird watching, mushrooming, kayaking and canoeing, berry picking, cross-country skiing, snowshoeing and nature education.

Ms. Penny Hill, Manager, Village of Ontonagon – 06-032, Ontonagon Marina Acquisition

Ms. Penny Hill, Manager for the Village of Ontonagon, provided a PowerPoint presentation in support of 06-032, Ontonagon Marina Acquisition. The Village of Ontonagon is located at the conjunction of the Ontonagon River and Lake Superior.

One of the main reasons for this project is the existing State Highway M-64 bridge, which is the last swing bridge on a state highway, is being relocated by the Michigan Department of Transportation. The new location is approximately 2,400 feet upriver. Access to the downtown business district from the present marina, which was constructed in 1966, is easily accomplished by a short walk over the bridge, which crosses the Ontonagon River at the northern end of the business district. One of the consequences of the relocation of the bridge is that pedestrian access from the present marina to the downtown business district will be considerably more difficult, due to the greater walking distance for marina users along the new highway route. The current pedestrian route is approximately three blocks and after the new bridge will be 1.75 miles. With the proposed project, the route would be less than one block.

With the relocation of the bridge, the existing swing bridge will be demolished, allowing unimpeded access to the river channel. Access to the village's marina and harbor and commercial docks will be greatly improved. It is anticipated that there will be an increase in marine traffic once the swing bridge is demolished, especially in larger boat traffic.

The village's project would be to acquire a two-acre parcel of land to construct a small 14- to 21-slip transient marina on the east side of the Ontonagon River. This project is part of a larger project to improve and capitalize on the village harbor, marina and lakefront areas. The relocation of the State Highway M-64 bridge will be completed this year. It is the village's goal to complete the construction of the new marina by December 2008.

The village has looked at alternative locations for the marina project. Advantages of the proposed location would be it is close to commercial docks, the downtown business district, there would be room for future expansion and there is a willing seller. A disadvantage would be that the seller would need to relocate his business. This site was selected as the preferred site

for a marina in the Village of Ontonagon's 1964 Master Plan, before any marina was developed in the village.

The village also investigated an alternative location on the tip of Rose Island. This is a privately owned island, which was recently purchased. The advantages with this site are it would be closer to commercial docks and downtown business district. Disadvantages are the site may have environmental issues; no room for future expansion and the new owner is not willing to sell.

Another location that was investigated is south of Rose Island, which the village owns part of the property. Advantages of this site include already owned by the village and close to downtown business district. Disadvantages are the site is very narrow, and there may be problems designing a marina; site has two buildings that would need to be relocated; and an historical shipwreck is located near the location.

The village does plan to improve their marina, harbor and lakefront area, and have taken the following steps to accomplish this:

- Petitioned the U.S. Army Corps of Engineers to extend the Ontonagon River Federal Channel designation once the M-64 swing bridge is removed;
- On recommendation of Congressman Bart Stupak, consider the possibility of forming an Ontonagon Port Authority;
- Researching the process to achieve "Harbor of Refuge" designation by the USACE;
- Contracted with Abonmarche Group to develop a Marina Master Plan to include development of a new transient marina on the east side of the Ontonagon River;
- Contracted with U.P. Engineers and Architects to amend the village's master plan to incorporate the impacts that the bridge relocation will have on the community;
- Committed to a joint project with Ontonagon Township to make improvements to the village-owned lake frontage property and to the township-owned lakefront park located within the village limits;
- Working with a local landowner who owns 20 acres adjacent to Lake Superior and the Ontonagon River to coordinate efforts to determine the highest and best use of the parcel of land. The owner is eager to help develop this parcel;
- Submitted a grant application to the Waterways Commission for construction of the new transient marina;
- Working with MDOT to secure additional funding; and
- The Ontonagon DDA has committed funding up to \$300,000 for local match portion of a marina construction grant.

Mr. Mark A. Brochu, Director of Parks and Recreation, St. Clair County – 06-099, Bauman Road Farms-Belle River Acquisition

Mr. Mark A. Brochu, Director of Parks and Recreation for St. Clair County, provided a PowerPoint presentation in support of 06-099, Bauman Road Farms-Belle River Acquisition. He introduced Ms. Amy Rittenhouse, Chief of Staff for Representative Dan Acciavatti; Mr. Gary Muentener, Constituent Relations Director for Senator Jud Gilbert; and Mr. Matthew Frazier, Legislative Aide for Representative Phillip Pavlov who are with him. Letters of support were sent with the grant application.

An application was submitted last year (05-088) for funding. It was in a group of the highest scoring projects, but was not funded. The current owner is unwilling to wait another year to sell this property, but he has agreed to allow the Trust for Public Land to acquire the property and hold it until grant funding is successful.

The project location is located in St. Clair County at the northeast end of the SEMCOG region, which is within a one-hour drive of half of the population of the state. Macomb, Lenox and Chesterfield Townships in neighboring Macomb County are three of the fastest growing communities in southeast Michigan.

The project would be to acquire 300 acres, with 1.5 miles of Belle River frontage. There are 152 acres of floodplain and wetlands and 148 acres of upland.

Mr. Brochu outlined the preliminary park master plan, which would include multi-use trails, bridge, barrier-free fishing and picnic areas.

Recreational benefits for the acquisition would include:

- Fishing on the Belle River
- Kayak and canoe access to Belle River
- Controlled hunts for deer
- Wildlife and plant viewing
- Walking and mountain biking trails
- Equestrian trails
- Picnic facilities
- Nature/visitor center

Mr. Brochu further stated that existing roads/lanes that are lined with mature trees will be used for nonmotorized pathways. In addition, new roads will be built to code in existing open areas so that trees do not have to be removed. There are two structures on the property. The house would serve as a nature center/office and the barn near Bauman Road would be used for maintenance facilities.

The project is estimated at \$2.2 million, with a local match of \$792,000 (36 percent). The grant request from the MNRTF is \$1,408,000. Exact numbers will be supplied once the Trust for Public Land gets control of the property.

Mr. Brochu further stated that the county has signed a purchase agreement to obtain the 75-acre Greenia property upstream. The county has committed to continue to purchase other river corridor properties up and down stream. The county also has been working with Columbus, China and East China Townships and the City of Marine City to establish river access points.

Mr. Russell Taylor, Manager; Mr. Bob Weise, Supervisor, Thomas Township; and Mr. Rob Eggers, Planner, Spicer Group – 06-042, Tittabawassee River Property Acquisition

Mr. Rob Eggers, Planner for Spicer Group, provided a PowerPoint presentation in support of 06-042, Tittabawassee River Property Acquisition. The acquisition is for 63 acres on the Tittabawassee River with access from M-46. Currently there is no public access to the river in the township. The population of the township is approximately 12,500 and the neighboring community to the east of the river is approximately 40,000.

The park would be used mostly for a boat launch, walking path with overlook platforms, and wetland loops. What is unique about the site is the river has formed a stream on the west side to create an island of 63 acres. On the west side of the site there is wetlands, lowlands and a creek-type of environment. On the south end the township is looking to acquire a few other parcels adjacent to the island to provide access to M-46. This would provide a second access to the island.

One of the main attractions for the park land is the walleye fishing on the Tittabawassee River. DNR Fisheries Unit Manager Jim Baker stated "The Tittabawassee River supports one of the largest walleye spawning migrations in Michigan, and the walleye fishery is nationally renowned."

Mr. Eggers stated that this project aligns with the following MNRTF Program goals:

- Resource Protection – 63 acres of wetlands, woodlands and open space
- Water Access – Tittabawassee River frontage
- Community Recreation – Hiking trails, boat launch and shore fishing
- Urban Recreation – Two miles from downtown Saginaw, close to Bay City, Midland and Flint
- Economic Development – Fishing is key component of tourism industry

Mr. Torre asked how much the grant request was. Mr. Eggers responded \$265,764, with the local match being \$94,000.

At this point, the Board returned to "Old Business."

IV. OLD BUSINESS.

2006 Application Review – Notebooks

Mr. James Wood, Manager, Grants Management, DNR, stated that the Board had received a copy of the 2006 application notebooks. The notebooks provide detailed information on each application, location, site plan and boundary maps and Need Statements.

Staff will bring extra copies of the notebooks to each meeting so the Board members do not need to bring their copies.

Fees Update

Mr. Wood advised the Board that there is a Board Subcommittee on Fees that is examining the issue of fees. Ms. Deborah Apostol, Unit Supervisor, Grants Management, DNR has been working with the subcommittee, and the group will be meeting directly after the Board meeting. The subcommittee will be providing the Board with recommendations at a future meeting.

Mr. Wood suggested that the fees and access issues be drawn together in a revision of the MNRTF criteria to reflect the values that the Board is placing on these issues. This would be brought back to the Board at their August meeting for review and adoption for the 2007 application cycle. This would also include the "Access to Recreation" components.

Chairperson Washington stated that this is good, and will be welcome news to Ms. Pollack. Mr. Charters asked who was on the subcommittee. Mr. Garner responded Mr. Torre and Ms. Pollack, with him being the alternate.

NEW BUSINESS.

“Access to Recreation” Initiative – APPROVAL OF RECOMMENDATION

Mr. Wood stated that Mr. Olson had outlined the “Access to Recreation” Initiative earlier this morning. There is a committee of DNR staff, which Ms. Linda Hegstrom of Grants Management is the chair, that is working on developing the process and criteria that will be used to select the projects. Staff is excited about using this funding to leverage grant dollars for projects.

Mr. Wood further stated that there is a memo and a resolution in the Board’s materials requesting that the Board formally support staff’s activities and working the criteria into the MNRTF process. Details as to how the process will work are unknown at this time.

Chairperson Washington asked what amount of money would come out of the MNRTF to match the “Access to Recreation” funding. Ms. Hegstrom responded there will be \$1 million that will be provided to Grants Management, but how that is distributed is unknown at this point.

Chairperson Washington added he feels this program is a tremendous way for the state to leverage money for grants, especially for access projects. Access to recreation areas is of great importance to the Board. He is in favor of the direction that the “Access to Recreation” workgroup is going to develop this partnership and future partnerships that may become available.

Mr. Garner stated that this is the most ambitious goal he has ever seen in a document. He wondered how close the workgroup was to accomplishing goals. Ms. Hegstrom responded that the workgroup has only met once.

MOVED BY MR. TORRE, SUPPORTED BY MR. CHARTERS, TO ACCEPT THE DEVELOPMENT OF AN “ACCESS TO RECREATION” INITIATIVE PROGRAM THAT WILL COMBINE GRANT FUNDS FROM THE MNRTF AND THE KELLOGG FOUNDATION TO ASSIST IN THE DEVELOPMENT OF UNIVERSALLY ACCESSIBLE RECREATION FACILITIES. PASSED.

TF00-311, Bear Creek Park Development, Oakland Township – CONVERSION REQUEST

Mr. Wood outlined the Bear Creek Park Development conversion request from Oakland Township. This request has been under Grants Management staff’s review for two years trying to get all the details sorted out. The township has owned property that the MNRTF Board awarded a development grant to. The township now is asking to issue a conservation easement over a portion of the property. The way it is structured, it will have very minimal impact on the portion of the park that the MNRTF has invested in. The easement has been structured in a way that it protects the MNRTF’s and the state’s interest in the site.

After two years of negotiations, conversations and appraisals, staff has reached the point where they feel this is an acceptable conversion.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO ACCEPT THE CONVERSION REQUEST FOR TF00-311, BEAR CREEK PARK DEVELOPMENT, OAKLAND TOWNSHIP. PASSED.

TF92-337, Trailway Acquisition Lump Sum, Ottawa-Muskegon Trail Extension – DNR, Forest, Mineral and Fire Management Division – CONVERSION REQUEST FOR OTTAWA-MUSKEGON TRAIL EXTENSION ONLY

Mr. Wood outlined the conversion request for TF92-337, Trailway Acquisition Lump Sum, Ottawa-Muskegon Trail Extension, DNR, Forest, Mineral and Fire Management (FMFM) Division. The proposal is for a three-way exchange transaction where approximately 2.94 acres of the 20.60-acre project site will be traded for a 40-acre woodland parcel in Crystal Falls Township in Iron County.

Due to a change in the land use of surrounding properties and a different trail plan by the City of Muskegon, the 2.94-acre parcel is no longer needed as a connector. An alternate route is being planned. The proposed conversion will have no impact to current recreation uses of the site.

An applicant that owns adjacent land has applied for purchase or exchange of the parcel. On October 28, 2004, the Land Exchange Review Committee (LERC) meeting, they approved the disposal of the 2.94-acre parcel, which has been appraised at \$33,800. The 40-acre parcel is appraised at \$36,000 and abuts State Forest land on three sides. Appraisals have been reviewed and approved. FMFM Division strongly supports this exchange as the Iron County parcel offers strong wildlife habitat and recreation potential as well as helping to consolidate State Forest land.

MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO APPROVE THE CONVERSION REQUEST FOR TF92-337, TRAILWAY ACQUISITION LUMP SUM, OTTAWA-MUSKEGON TRAIL EXTENSION, DNR, FOREST, MINERAL AND FIRE MANAGEMENT DIVISION, BY THE EXCHANGE OF THE 2.94-ACRE PARCEL FOR THE OFFERED 40-ACRE IRON COUNTY PARCEL. THE 40-ACRE PARCEL WILL BE SUBJECT TO MNRTF REQUIREMENTS AFTER COMPLETION OF THE EXCHANGE; AND

THIS RECOMMENDATION IS CONTINGENT ON PUBLIC COMMENT OPPORTUNITY WHEN THE CASE IS PRESENTED TO THE NATURAL RESOURCES COMMISSION, AND IS ALSO SUBJECT TO APPROVAL BY THE DEPARTMENT DIRECTOR. PASSED.

Gaylord to Cheboygan Trail – DNR, Forest, Mineral and Fire Management Division – PROJECT CHANGE REQUEST.

Ms. Mindy Koch, Resource Management Deputy, DNR, outlined the project change request for the Gaylord to Cheboygan Trail for the Board. This trail is a former railroad right-of-way which extends 45 miles from the City of Cheboygan to the City of Gaylord. The trail was acquired with \$6 million in MNRTF monies and \$500,000 in other funding sources.

The MNRTF Board approved the first funding for the trail in July of 1997, "... contingent upon the Board being satisfied that appraisals are accurate and represent the best financial transaction for the state, and also contingent upon the stretch along Mullett Lake being designated as a non-motorized trail (including snowmobiles) in the Land Use Orders of the

Department before acquisition occurs. This will have the force of law, allow prosecution of violators and ensure that no change could take place without public notice, public comment and Commission and (Trust Fund) Board review and action.” This is a direct quote from the motion that was made by the MNRTF Board.

In July of 1998, there was an additional funding approval, and the condition of non-motorized use was reinforced at that point. At this approval, there was a phasing that was developed for the acquisition of the trail. At this meeting, staff representing the DNR for this trail, stated that “The Department would seek alternative routes for snowmobiles.”

In September of 1998, there was a Director’s Land Use Order approved to prohibit motorized use along the Mullett Lake portion of the trail. This is approximately 11 miles of the trail. The rest of the trail has been and continues to be open to snowmobile use. It is not open to wheeled motorized use.

Ms. Koch stated since that time staff has seriously looked at alternate snowmobile routes, as was promised at the MNRTF Board meetings. At least eight alternative routes were suggested. In addition, the DNR was provided with two alternate options by the Michigan Department of Transportation. All ten of these routes were investigated and natural resources reviews, property owners reviews, and some very preliminary engineering reviews were conducted. Unfortunately, none of these alternate routes proved to be successful. Major problems with these alternate routes included property ownership, wetlands, river systems, roadway and right-of-way issues.

Ms. Koch further stated that at this point in time, the Department is asking the MNRTF Board to remove the non-motorized stipulation along Mullett Lake to allow the Department to determine the appropriate use of the trail. If this project change request is approved by the MNRTF Board, the Department will review what types of user restrictions would be necessary to allow snowmobiling on the 11-mile stretch that is currently closed. There is a Department procedure that is used to look at these types of restrictions, in particular for snowmobile use on trails. The procedure would include a public meeting and submission of a Director’s Order to the Natural Resources Commission for information and action.

Ms. Koch stated that restrictions on the trail could include speed limits and hours of operation, but there may be others.

Mr. Garner stated that two years ago he made a motion to remove the restriction on the Mullett Lake portion of this trail to allow snowmobiles, and he could not get a second. Mr. Dempsey and Mr. Arwood served on the Board at that time, and they publicly stated that if there is not an alternative route in six months, the Department should resubmit their request and they would support it. Both of these members left the Board soon after this statement was made. It has come to the point that we use either routes that would be very tough on the environment or a route that is currently owned. It is important to note, that on the existing route many of the property owners have claimed the trail as their own. They have placed boats and other objects on the property, which blocks the trail.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO APPROVE THE PROJECT CHANGE REQUEST BY DNR, FOREST, MINERAL AND FIRE MANAGEMENT DIVISION BY REMOVING THE RESTRICTION ON THE 11-MILE TRAIL PORTION ALONG MULLETT LAKE ON THE CHEBOYGAN TO GAYLORD TRAIL THAT IS PRESENTLY DESIGNATED AS A NON-MOTORIZED TRAIL. THIS IS IN ACCORDANCE WITH THE DNR'S PLANS FOR THE NEXT SEVERAL YEARS TO OPEN IT UP FOR SNOWMOBILING.

Mr. Charters stated that he was serving on the Board when the original motion to restrict motorized vehicles was made. This was a very controversial issue and went on for two or three years. He does not see the movement on the part of the property owners in regards to their trespass issues. It is more than just boats and other objects. They have put in septic tanks. This trail is an asset that belongs to the people of the State of Michigan that is not being utilized and it is time we use it for all recreational users.

Chairperson Washington added that the only question from the very beginning has been: when is a deal a deal, and is the deal that is made breakable? It is his understanding that the deal was the only reason the Board would not go along with development of the trail is because it is never going to be a non-motorized trail. The reason Mr. Garner could not get a second to his former motion was how permanent are decisions made by this Board. Are they perpetual? He realizes that one Legislature cannot bind the hands of a future Legislature. If that is also the case with this Board, we need to recognize this.

Mr. Charters responded that in the total picture of things, the Board just approved a conversion. The first conversion approved by the Board was debated for months before it was approved. Since then several conversions have been approved. Things have changed over the years and we have to adapt to these changes. In this case, there have been several alternatives that have been looked at over the last nine years. One of the alternatives, with very strong support from the Natural Resources Commission, was if the property was not being used to sell it. If the Board does not make this change, that is one of the alternatives that could take place.

Chairperson Washington asked if the people who live along the trail, were they part of the process that ended up in the non-motorized section of this trail? Would this have been an issue if they had any perception that some day the trail would be motorized? Mr. Charters responded that the first criteria that was utilized was staff strongly supported this trail, and the Board was hesitant on the \$12 million project cost. The Board made the motion and reduced it to \$6 million. The project ended up costing \$6.5 million, with \$500,000 coming from another source. As far as being a non-motorized trail, it seemed appropriate. The property owners were at every public meeting. If the Board is going to adopt the policy of projects in perpetuity, then the Board should have not have approved the conversion earlier.

Chairperson Washington further asked are the people who are going to vehemently oppose removal of the restriction, are they the same people who worked to make this trail a reality, and is the reason that they did was they believed that it would always be a non-motorized trail. Ms. Koch responded at this point in time, the financial investment of the trail has been public monies. Staff has been out on the trail brushing and there will be aggregate placed on it to provide a nice surface to make it more usable. This should be done by the end of September.

Ms. Koch further stated that in fairness to the people who have been in opposition, they have been collecting money to be utilized for the trail. What their hope is to have a portion of the trail paved, which would be the portion along Mullett Lake. They have not offered the money to the

State of Michigan, but she believes that is their intent at some point. She also pointed out that the MNRTF Board was very careful in how they crafted their motion in 1997, to allow for a change. The Department was also careful in how they picked their words, as well, stating they “would seek an alternative route.” There was an impression in the snowmobile community that there would be an alternative route.

MOTION PASSED.

Naming Policy (Board Policy 92.3)

Mr. Garner stated that there is a Board Subcommittee on naming that has been established, consisting of Ms. Pollack and Mr. Torre.

Mr. Garner would like to call for a four-month moratorium on any further naming until the Board establishes a policy.

MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, FOR A FOUR-MONTH MORATORIUM ON NAMING OF ANY FACILITIES UNTIL A BOARD POLICY HAS BEEN ESTABLISHED. PASSED.

Mr. Garner stated that he has received some naming suggestions via email. He advised the audience if they had any suggestions on this issue to forward them to Grants Management staff.

VI. STATUS REPORTS.

DNR Real Estate Report

No discussion.

Financial Report

Mr. Wood advised the Board that the revenue is increasing from original estimates. Chairperson Washington asked if this was increased because of production or price. Mr. Wood responded he believes it is because of price.

At this point, funds that could be available are estimated at \$22.8 million for acquisition and \$6.5 million for development projects.

Mr. Wood stated that at the last meeting, the Board requested a presentation on the oil and gas revenue generation process. This presentation is being planned for the August meeting.

Chairperson Washington asked if there was any estimate on when the cutoff will be for the Section 29 credits and what year the volume would be reached. Mr. Fedewa responded it depends on the amount of production. We should have a better estimate at the August meeting. It is thought that we will reach the upper limit of the threshold and convert back sooner rather than later than initially anticipated.

Local Projects Completion Report

Mr. Wood stated that there are four development projects that have been completed since the Board's last meeting – projects in the Village of Homer, City of Flint, Kent County and City of Traverse City.

Lump Sum Report

No discussion.

Mr. Wood advised the Board that the Legislature has passed the appropriation for the 2005 projects. Staff will be preparing project agreements soon.

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

Chairperson Washington wished to thank everyone in the audience who assisted in finalizing the Walloon Lake project.

Mr. Wood advised the Board of the MNRTF's 30th Anniversary celebrations the DNR is planning. There are events planned for July 18th in Traverse City; August 8th in Farmington Hills; and August 18th at the Upper Peninsula State Fair in Escanaba.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, August 16, 2006, Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

IX. ADJOURNMENT.

**MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO ADJOURN
THE MEETING. PASSED.**

The meeting was adjourned at 12:03 PM.

Sam Washington, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Manager
Grants Management

DATE

